

## **FISCAL NOTE**

### **HB 1375 - SB 1652**

April 4, 2001

**SUMMARY OF BILL:** Amends TCA 26-2-221 and 26-2-222 relative to garnishments of state officers and employees as follows:

- States that garnishments must be served to fiscal officers and the commissioner of the department or agency of the department in which the garnished officer or employee works. Under current law, the garnishment is served to budget officers.
- Provides that nothing set forth in the provisions of this chapter shall be construed to apply to or to allow garnishments of state payments to contractors or vendors of the state.
- Provides that if a garnishment is not served as set forth in this section, such service shall be considered ineffective, and the state shall not be liable for any sums due thereunder.
- Provides the state with a 31-day window of time in which to answer the garnishment ordered by the court.
- Requires the state to retain a \$5 administrative fee from amounts due the judgment debtor for each payment made to the court. The time at which the garnishment lien attaches to the amounts due the state officer or employee shall be 7 business days from the date of service of the garnishment.
- Provides that in the event a judgment is obtained under the provisions of this section, if there were no wages due an officer or employee so garnished, such judgment against the state shall be void and unenforceable.

#### **ESTIMATED FISCAL IMPACT:**

##### **Increase State Revenues - \$30,000**

Estimate assumes the following:

- The total increase in state revenues is estimated to be approximately \$30,000, which is calculated as follows: 250 garnishments per pay period x 24 pay periods x \$5 each.
- Based on information provided by the Division of Accounts in the Department of Finance and Administration, the division currently processes approximately 250 garnishments per pay period.
- The processing fee based on provisions of the bill are \$5 per payment.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director